

Exhibit "C"
Area Development Agreement

Custus Area Development Agreement

1. The purpose of this Castus Area Development Agreement (the "Agreement") is to confirm our understanding of your plans for the development of _____ (____) new Castus retail stores ("Development Stores") in the _____ area (the "Development Area"), and to describe your rights and obligations with respect to such development. Castus Low Carb Superstores ("Castus") hereby grants you the option to enter into Castus Franchise Agreements for the right and obligation, to construct, equip, decorate, open and operate the Development Stores in the Development Area (which is further described in the attached Schedule "A") in accordance with the Minimum Performance Schedule (the "Development Schedule") attached hereto as Schedule "A-1" and the other terms and conditions contained in this Agreement and the attached exhibits. This Agreement is not a franchise agreement, and does not grant to you any right to use the franchisor's name, Marks or the Operating System.

2. Under this Agreement, you must pay to Castus an initial development fee of \$25,000, based on the number of Development Stores to be opened. The initial development fee must be paid upon signature of this Agreement. However, a portion of the initial development fee may be credited towards the initial franchise fee that will be due with each Franchise Agreement for each new retail store to be opened by you.

<u>Cumulative number of Castus Stores</u> <u>Open or under Construction</u>	<u>Date (d/m/y)</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Any retail store developed or to be developed by you outside of the Development Area, will not be considered in the determination of your compliance with the Development Schedule.

4. Each Castus Store to be developed in accordance with this Agreement will be established and operated pursuant to a separate Franchise Agreement to be entered into between you and Castus (subject to compliance with any applicable franchise registration laws). The form and substance of each Franchise Agreement executed will be consistent with Castus' then-current franchise agreement being executed by other franchisees at that time. You and your principals will be required to deliver a General Release of all Claims you or they may have against Castus in connection with your execution of each Franchise Agreement.

5. Provided that you are in compliance with the Development Schedule, all franchise agreements executed pursuant to this Agreement, and all other agreements with Castus or its affiliates, subsidiaries, advertising co-ops and suppliers, Castus will not, prior to _____, itself establish or grant rights to any third party to establish a traditional retail store within the Development Area. A "traditional retail store" means a freestanding or in-line location on a public street having its own parking facilities.

6. You will have a first right of refusal for nontraditional development rights within the Development Area (i.e., upon Castus' receipt of written notice of a bona fide bid for a nontraditional development right, Castus will send you written notice of the offer; and you will have 30 days to accept the terms specified in the written notice; if you do not accept the terms in the bid, within such timeframe, your right of first refusal shall lapse). Nontraditional development rights will be retained by Castus and will be approached on a location-by-location basis. Examples of the kinds of facilities that constitute nontraditional retail stores as defined herein include stores that are situated in, or part of, office complexes; convention centers; or educational institutions or facilities.

7. You understand and acknowledge that Castus may itself develop and operate, and may grant rights to others to develop and operate: (1) retail stores of any kind anywhere outside the Development Area; and (2) retail stores and other food service facilities not under the Castus brand, proprietary marks and System (as defined in the Franchise Agreement) anywhere within the Development Area.

8. You acknowledge and assume all risk that any activities by Castus or any third parties of the kinds permitted to them in the preceding paragraphs may affect or hinder your ability to develop the required number of retail stores pursuant to the Development Schedule and/or may affect the profitability or operations of such retail stores.

9. Your right to commence construction of any new retail stores pursuant to this Agreement is subject to your compliance with each of the following conditions:

a. Each proposed site for each retail store must be formally presented to Castus on Castus' then current Site Acceptance Request form for Castus' prior written acceptance before you assume any obligation with respect to the site. You must also present a formal request to proceed with construction, in accordance with Castus' construction approval policies and procedures. You acknowledge that site acceptance will be determined solely, in each circumstance, by Castus in accordance with its then-standard policies and site criteria.

b. Castus must determine that you have the financial and operational capabilities to develop the new retail store at the proposed location. Castus' determination of your financial and operational capability will be based on:

- i. your compliance with then-current expansion guidelines;
- ii. your financial condition; payment history to Castus; its subsidiaries, advertising operatives, and any national advertising cooperatives; and
- iii. any other pertinent financial information that may be requested by Castus, together with operational evaluations of any existing retail stores owned and/prior to the time of each request by you to develop a new retail store pursuant to this Agreement.

All of this information will be reviewed by Castus in accordance with its then-current guidelines and policies pertaining to franchise expansion, generally.

c. If Castus accepts a proposed site and determines that you have satisfied Castus' expansion guidelines, Castus will deliver a franchise agreement for the retail store to you for execution. You must execute and return the franchise agreement within 21 days of receipt. You must pay all fees required under each franchise agreement at the times specified under each franchise agreement.

10. In the event that you fail to satisfy any of the conditions described above, Castus will be under no obligation to execute a franchise agreement for a new retail store. Construction of a new retail store must not begin until a franchise agreement is fully executed for that retail store.

11. If you fail to have open or under construction the required number of retail stores in accordance with the Development Schedule, even if such failure to develop is not due to your failure to satisfy any of the preconditions to the execution of the franchise agreement, Castus may terminate your rights to develop new retail stores for which no franchise agreement has been executed under this Agreement, effective upon Castus's transmittal of a notice of termination to you. Further, if at any time, you are in default under any franchise agreement or any other agreement executed by you and Castus or its affiliates, Castus may terminate your rights to develop new retail stores granted under this Agreement.

12. The rights granted to you in this Agreement represent a special opportunity provided to you, separate from those afforded by any franchise agreements executed or to be executed by Castus, and are based upon your retail store operations and development experience with Castus. Therefore, the rights granted to you herein may not be assigned upon the sale, transfer or assignment of any franchise agreements pertaining to those Development Stores developed under this Area Development Agreement. Upon any attempt to transfer or assign this Agreement, this Agreement shall automatically become voidable at the sole election of Castus.

13. The rights to develop retail stores pursuant to this Agreement will terminate at the earlier of _____ or the date your rights are terminated by Castus in writing due to your default under any franchise or other agreements between you and Castus or any Castus' affiliates or due to a transfer of franchise agreements as previously outlined.

14. Unless Castus has in writing otherwise agreed, each franchise agreement executed pursuant to this Agreement, must be executed by only the named franchise partners to whom this Agreement is addressed and guaranteed by any and all parties currently acting as guarantors.

15. If you agree to the terms outlined in this Agreement, please execute the enclosed copy and return it to Castus. Please do not execute this Agreement until the expiration of five (5) business days from your receipt of this Agreement and ten (10) business days after your receipt of Castus' current Offering Circular. Upon receipt and signature by Castus, the Agreement will be effective.

Franchisee:

By: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Agreed to:

Castus Low Carb Superstores
a California corporation

By: _____

Title: _____